[Rao Bahadur A. Rengasvami Aiyar.]

reorganisation of the department simultaneously throughout the State, it is proposed to work out the scheme in smaller instalments by beginning with the localities most subject to epidemics. A lump sum provision of Rs 10,000 has been made for the purpose. Provision has also been made for the improvement of rural sanitation by opening new conservancy stations.

24. *Scientific and Miscellaneous Departments.*—Provision has been made in the budget of the Archaeological Department for the preliminary expenses in connection with the 9th session of the All India Oriental Conference which has been invited to hold its session at Trivandrum in December 1937.

25. *Public Works.*—The allotment for ordinary Public Works expenditure in the next year including establishment charges and tools and plant is Rs 32·09 lakhs as against the current year's budget grant of Rs 33·36 lakhs, excluding the provision for Town Planning Schemes and the Council Chamber. When the estimated expenditure on Capital Works, both productive and non-productive and the expenditure met out of the Irrigation and Road Development funds are taken into account, the grant for the next year for works of public utility would amount to about Rs 114 lakhs on the whole which is the highest on record. Full details of the works in progress and new works are given in the Appendix to the budget estimates.

26. *Devaswom Fund.*—Provision has been made for the minimum contribution of Rs 16 lakhs payable to the Devaswom Fund in accordance with the announcement made in the House last year.

CAPITAL EXPENDITURE.

27. An aggregate sum of Rs 96·38 lakhs which represents a peak provision made hitherto in a single year, has been provided in the budget estimates of the next year for expenditure on capital schemes under the following heads :—

	Rs.
Non-productive works	43·24 lakhs
Productive schemes shown under Debt heads.	34·78 „
Loans to the Cochin Harbour authorities towards the 4th stage of works and the cost of Dredger, shown under Advances.	18·36 „
	96·38 „

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I may here offer some remarks in regard to the general policy of Government in incurring such capital expenditure. Honourable members are aware that, during the last few years Government have embarked upon big commercial, industrial and electrical enterprises, with a view to make the utmost use of the material resources of this State. Such schemes are expected not only to constitute a profitable investment in a commercial sense and to strengthen considerably the revenue position of Government, but are extremely valuable on account of the increased amenities and conveniences which they render to the public, and the indirect and secondary beneficial effects accruing therefrom, such as the mitigation of unemployment to some extent and the stimulation of trades accessory and incidental thereto, etc. The non-productive capital projects undertaken by Government, such as Water Supply and Drainage, Town Planning, etc. are of immense public utility, and although not directly remunerative, are calculated to supply the people the much needed social amenities and in the long run, to result also in saving of expenditure on sanitation and medical relief, while the other schemes such as widening of roads etc., serve also to increase the cleanliness and artistic beauty of the city in consonance with modern standards appropriate to the position and dignity of the State. The present time is most opportune for developing our industrial and commercial resources and for pushing on with the schemes for the promotion of social service and amenities. The rate of interest has now fallen to a point incredibly low as compared with that in previous years, and capital is available in abundance at a very cheap rate. All over the world, economic planning is regarded at present as the main objective of modern state craft, As, in this mundane world, assets cannot be created by the mer. waving of a magic wand, the next best thing is to seize the present opportunity to investigate and complete all possible, deserving schemes.

I furnish below brief details of the more importance schemese provided in the next year's estimates.

28. *Water Supply, Trivandrum.*—The first stage of the project estimated to cost Rs 50·98 lakhs according to the sanctioned Deviation Statement has been nearly completed during the year. The second stage of the project (Rs 6·38 lakhs) and supplemental works (Rs 1·20 lakhs) have been begun and good progress has been made. Out of the first instalment of 28 miles, more than 24 miles have been laid. The pipes for the balance of 18 miles have arrived. For the first stage a sum of Rs ·56 of a lakh has been provided in the next year's budget to pay off all liabilities and to carry out the sanctioned annual scheme of extension of mains. To complete the second stage of the work in 1112, a sum of Rs 3·05

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